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material or fresh analysis. The one excuse which may be made is that he wrote this book hurriedly for uncritical readers—the students of a correspondence school. But, laudable as is the effort to popularize economics, it cannot command respect when the popularizers lower their standards of scholarship to the commercial level. That Professor Howard can do good work is shown by his first book, *The Industrial Progress of Germany*. Even the present volume shows traces of insight; but as a whole it is not creditable.

As collaborator and as editor of “Modern Business,” Professor Joseph French Johnson has assumed joint responsibility for this ill-considered venture. If he ever reads the book, he will regret keenly that he did not read the proofs with greater care.

WESLEY C. MITCHELL.

University of California.

The Chattel Mortgage Loan Business. By R. W. SHARP. (Newark, N. J. 1910. Pp. 168.)

This monograph has been prepared for the purpose of assisting inexperienced managers of new remedial loan societies and of enlisting capital in an important field of philanthropic endeavor. The first six chapters are of general interest, describing with accuracy usurious chattel mortgage loan companies and their methods, as well as remedial chattel loan companies, with numerous rules to govern the successful management of these societies.

Chapters 7-10 contain more detailed information concerning the organization and administration of a remedial or substitute chattel mortgage loan company, while chapters 11-14 are of value only as they explain the work of one local society—the Newark Provident Loan Association—with which the author is connected. A valuable statistical table is appended showing one year's work of thirteen of the remedial loan societies doing business in the United States.

One cannot fail to realize as he reads this book that the remedial loan association is no longer an experiment, that the movement has met with pronounced success wherever it has been started, and that it is the only safe way by which the wage-earner, in temporary financial distress, may escape the unscrupulous methods of the professional money-lender, whose interest rates range from 65 to more than 100 per cent.

The style is clear and convincing, and the facts, on the whole,

are stated with truth; but many of the opinions expressed and the methods advocated by the writer, himself a practical worker in the field, are open to criticism. For example, in chapter 7, pp. 61-68, under the heading "The Trace," severe rules are set forth to guide "inexperienced managers," which are not sanctioned by managers of the most representative remedial loan companies. "Customers," we read (pp. 61-62)

"frequently change their places of residence without notifying the loan company. If no clew is found, make such an envelope as express companies use in forwarding money. Place padding and pennies within it, and seal impressively with red wax. Write on the envelope the applicant's name and designate a sum of money in the space for such a purpose. Then go to his house if you are not known there and let that do the talking. Another device is aimed to secure the aid of the post-office. Have attached postals prepared. One card advises that a package has been left at the post-office of, e. g., the Seaboard Express Company, and is held for the shipper because of deficient address. The attached card is addressed back to the Seaboard Express Company, and the space indicated where correct address should be inserted. Advertising in the newspapers and offering a reward for the man wanted, with the name of the loan company subscribed, will often frighten the quarry or his family into an immediate settlement."

Such practices should hardly be tolerated by a society organized not only to weaken the grip of the merciless money-lender, but to carry on a business which is essentially philanthropic in character. In fact, there are some philanthropists who may feel less inclined to assist the movement after reading the unnecessarily harsh methods which are here advocated.

The author asserts (pp. 7-8) that law backed up by public sentiment will destroy the usurious chattel loan mortgage business, giving as an illustration the New York law, which is declared to be "proof against all possible evasion." On the contrary, past experience has shown that restrictive laws dealing with usury have been of little avail. In New York, as well as in Massachusetts or any other state where such are in force, there exist, as the author doubtless knows, many illegal loan companies doing business on a large scale. In one state, to give a single instance, where the legal interest charge must not exceed thirty per cent, a young man recently paid over \$50 for a \$10 loan. The law has yet to be enacted which will stand between a man who has money to lend and one who must borrow at any price. A more promising means of protecting the public than legal repression, the reviewer believes, is the establishment of remedial loan com-

panies in every industrial community, with interest rates low enough to compete successfully with the professional money-lenders, and high enough to discourage unnecessary or reckless borrowing.

Standing alone, this work may convey a wrong impression to readers who are not familiar with the proceedings of the National Federation of Remedial Loan Associations. To any one in touch with the national movement, these pages, regarded as supplementary reading, will prove stimulating and instructive.

WILLIAM KIRK.

Brown University.

The Establishment of the National Banking System. By WILLIAM WALKER SWANSON. (Chicago: The University of Chicago. 1910. Pp. 117.)

This monograph represents the investigation which the author made in fulfillment of the requirements for the degree of doctor of philosophy at Chicago. The opening chapters are devoted to a review of the banking situation in the country just prior to the war and to suggestions as to the sources which may or must have suggested to Mr. Chase the adoption by the national government of a system which should furnish the country with a uniform and controllable currency, and which should, through its dependence for security upon government bonds, create a market for a large amount of these securities.

Mr. Swanson mentions the two United States Banks, finds some suggestion of the system in the Michigan Banking Act of 1837, but concludes that the New York Free Banking Act furnishes the actual model. The discussion of this Act and of its predecessor, the Safety Fund Act, leads up to an elaborate chapter on what is termed the crisis of 1860. A chapter is devoted to an analysis of the condition of affairs at this period when business men were seeking to adjust their operations which had been thrown into confusion through southern repudiation of debts, at the same time that they were entering upon new business opportunities caused by the impending military activities. This is followed by an abridged account of the debate in Congress at the time of the adoption of the Sherman Act, and the pamphlet concludes with a description of the subsequent changes in the National Bank Act.

In the brief space allotted for review, criticism of statements made by the author are likely to be misunderstood, since there is